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MINISTRY OF FINANCE (Department of Economic Affairs) (Stock Exchange Division)

NOTIFICATION

Bombay, the 10th October, 1957

S.R.O. 3272.—The Central Government having considered the application for recognition made under section 3 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), by the Calcutta Stock Exchange Association, Limited, Calcutta, and being satisfied that it would be in the interest of the trade and also in the public interest so to do, hereby grants, in exercise of the powers conferred by section 4 of the Securities Contracts (Regulation) Act, 1956, recognition to the said Exchange under section 4 of the said Act, covering the area included in the Howrah and Calcutta municipal limits, for a period of five years commencing on the 10th October 1957 and ending with 9th October 1962, in respect of contracts in securities subject to the conditions stated herein below and such conditions as may be prescribed or imposed hereafter.

CONDITIONS

1. Firms shall not be admitted or continued as members of the Association. To enable each individual partner of the existing member-firms to become a member of the Association in his own right, the share of Rs. 1,000 issued by the Association should be converted into four shares of Rs. 250 each and made available to each such partner.

2. A Membership Deposit of Rs. 20,000 shall be taken from every member.

3. The Board of Directors shall consist of 18 Directors of whom 12 shall be elected on a general election basis, 3 Directors co-opted by the Governing Body with the prior approval of the Government of India to safeguard minority interests and 3 Directors nominated by the Central Government.

4(i). The members of the Bengal Share & Stock-Exchange Association Limited, Calcutta, shall be entitled to apply for membership of the Calcutta Stock Exchange Association Ltd., Calcutta, provided they fulfil or comply with the following terms and conditions:—

(a) they have been active members of the Bengal Share & Stock Exchange Association for 12 months immediately preceding the 6th September 1957;

Explanation.—"Active Members" for the purpose of this condition means members who have themselves transacted business regularly on the floor, either on their own account or on account of their clients.

(b) they are eligible under Rule 8(1) of the Securities Contracts (Regulation) Rules, 1957;

(c) they purchase one new share of the Calcutta Stock Exchange Association Limited;

(d) they pay a Membership Deposit of Rs. 20,000 each with the application.

(ii) Where an active member of the Bengal Share & Stock Exchange Association Limited, Calcutta, who fulfils or complies with the conditions in (i) above is not admitted to the Membership of the recognised Stock Exchange he shall have a right of preferring an appeal within a period of one month from the date of refusal of his application to the Central Government, and the decision of the Central Government on such appeal shall be final and binding.

5. If the foregoing conditions are not complied with within a period of one year from the date of recognition, the recognition will be liable to withdrawal.

[No. 2/6/SE/EAD/57.]

P. S. NADKARNI, Dy. Secy.